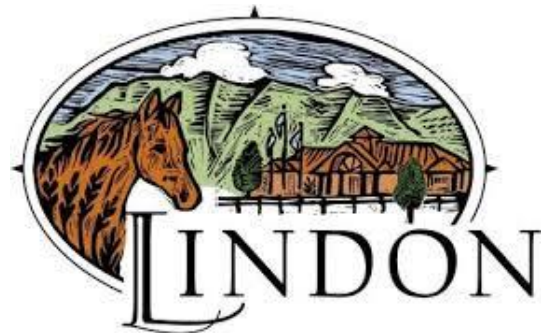


2018

ANNUAL REPORT

REDEVELOPMENT AGENCY OF LINDON CITY, UT

IN COMPLIANCE WITH UTAH CODE SECTION 17C-1-603



NOVEMBER 1ST REPORT

Dated as of November 1, 2018

Prepared by Lewis Young Robertson & Burningham, Inc.


**LEWIS YOUNG
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SECTION 1: EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Lindon City Redevelopment Agency (the “Agency” or “RDA”) to assist with the management of the Agency’s two active project areas (**State Street #1 RDA** and **700 North CDA**). LYRB has compiled various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s Project Areas in the future.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-603 – Agency Report. As reporting requirements were adopted in legislation and became effective in 2011 and later expanded in 2016, this report facilitates the RDA’s compliance with the code, providing the data necessary to fulfill these reporting requirements. This section of Utah Code mandates that the Agency provide an annual report to the County Auditor, the State Tax Commission, the State Board of Education, as well as each of the taxing entities that levy a tax on property from which the Agency collects tax increment (“Tax Increment” as defined in the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, 17C). The taxing entities involved in the various project areas of the Lindon City RDA, to which this report is being provided, are summarized in the table below.

TABLE 1.1

RDA TAXING ENTITIES	
Adam Cowie	Lindon City
Kristen Colson	Lindon City
Burt Harvey	Utah County
Rob Smith	Alpine School District
John Jacobs	North Utah Valley Water Conservancy District
Gene Shawcroft	Central Utah Water Conservancy District
JoAnne Dubois	Central Utah Water Conservancy District
Natalie Grange	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Scott Smith	Utah State Tax Commission

This annual report is for informational purposes and is intended to provide an overview of each Project Area that lies within the boundaries of the Lindon Redevelopment Agency, including descriptions of each Project Area, significant activities, project timelines, actual and estimated tax increment collections, and any other information pertinent to the taxing entities.

Provided in this report is an overview of the Lindon **State Street #1 RDA** Project Area and the **Lindon 700 North CDA** Project Area, including summaries of the current and projected budgets, sources and uses of tax increment funds, Project Area growth statistics, and identification of certain concerns/needs.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Redevelopment Agency of Lindon City was created by the Lindon City Council in 1982 with the adoption of Ordinance #92 in accordance with the provision of the Utah Neighborhood Development Act, UCA 17A-2-1201, 17A-2-1202, and 17A-2-1203.

In the process of adopting the ordinance creating the Agency, the City Council determined that the Agency be authorized to:

- ☞ enter into contacts generally in connection with redevelopment and/or economic development and to transact business and exercise all other powers provided for in the Utah Neighborhood Development Act
- ☞ accept financial or other assistance from any public or private source for the Agency's activities, powers, and duties and to expend any funds so received for any of the purposes set forth in the Act
- ☞ borrow money and accept financial or other assistance from the state or federal government for any of the purposes of the Act and comply with any conditions of such loan or grant
- ☞ cooperate with similar agencies of other communities for joint planning and joint development of any particular project
- ☞ employ an executive director, technical experts, consultants, legal counsel, legal staff, and such other agents and compensate these individuals from funds available to the agency

Originally, under the Act, each project area created by a Redevelopment Agency was classified simply as a Redevelopment Area (RDA). In 1998, the Act was expanded to allow the creation of various types of project areas to be used to achieve different outcomes, including Urban Renewal Area (URA) and Economic Development Area (EDA). In 2006, the Act was further modified to provide for an additional project area type, Community Development Area (CDA).

Changes to the Act, made in 2016, put an end to the three aforementioned classifications. Going forward all project areas envisioned and created by a Redevelopment Agency are categorized by a single designation and are known as Community Reinvestment Areas (CRA). Previously created projects will still be subject to the predecessor rules under which they were created and will still be designated as RDAs, URAs, CDAs, and EDAs but new projects will need to conform to the CRA modifications.

CRAs are created under a redevelopment agency. To create a CRA, an agency must first adopt a survey resolution that designates a survey area and authorizes the agency to prepare a project area plan and budget. The draft budget and plan are then created and then the agency must meet the noticing requirements concerning its intent to adopt the plan and budget. Once the agency adopts the draft plan and budget as the final plan and budget after a public hearing, it can then collaborate with the taxing entities. If the agency plans to use eminent domain in the CRA, a blight study must be performed in the designated area. The Agency then forges an agreement to receive tax increment participation and approval of the blight study from a taxing entity committee (TEC). With the potential use of eminent domain and a TEC, the CRA is required to allocate 20% of its tax increment revenue to affordable housing. If the agency does not intend to pursue eminent domain, interlocal agreements for tax increment participation can be entered into with individual taxing entities. No TEC is required. The affordable housing requirement for this approach is only 10% of the CRA's tax increment revenue.

The **State Street #1 Project Area** was created prior 1998, and as such, has been classified as a Redevelopment Area, or RDA. The **700 North Project Area**, which was created in 2014, has been classified as a CDA.

AUTHORITIES AND POWERS OF THE AGENCY

The authority of the Agency is directed by UCA Title 17C.

17C-1-202

1. A community development and renewal agency may:
 - ☞ Sue and be sued;
 - ☞ Enter into contracts generally;
 - ☞ Buy, obtain an option upon, or otherwise acquire an interest in real or personal property;

- ☞ Sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;
- ☞ Enter into a lease agreement on real or personal property, either as lessee or lessor;
- ☞ Provide for urban renewal, economic development, and community development as provided in this title;
- ☞ Receive tax increment as provided in this title;
- ☞ If disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;
- ☞ Accept financial or other assistance from any public or private source for the agency's activities, powers, and duties, and expend any funds so received for any of the purposes of this title;
- ☞ Borrow money or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this title and comply with any conditions of the loan or assistance;
- ☞ Issue bonds to finance the undertaking of any urban renewal, economic development, or community development or for any of the agency's other purposes, including;
 - Reimbursing an advance made by the agency or by a public entity or the federal government to the agency;
 - Refunding bonds to pay or retire bonds previously issued by the agency; and
 - Refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with an urban renewal, economic development, or community development project; and
- ☞ Transact other business and exercise all other powers provided for in this title.

GOVERNING BOARD OF TRUSTEES AND STAFF MEMBERS

TABLE 1.2

GOVERNING BOARD OF TRUSTEES		
Jeff Acerson	Chairman	Lindon City Mayor
Daril Magleby	Board Member	Lindon City Council Member
Matt Bean	Board Member	Lindon City Council Member
Jacob Hoyt	Board Member	Lindon City Council Member
Van Broderick	Board Member	Lindon City Council Member
Carolyn Lundberg	Board Member	Lindon City Council Member

TABLE 1.3

STAFF MEMBERS	
Adam Cowie	City Administrator/RDA Executive Secretary
Kristen Colson	Finance Director

SUMMARY OF REQUESTED FUNDS

The Agency ***requests all funds it is legally entitled to receive***, and estimates those funds according to the chart below. Per UC 17C-1-603(3), these projected figures are provided for informational purposes only, and do not alter the amount of tax increment that this Agency is entitled to collect. The Agency requests all tax increment legally available from each of the Agency's project areas described below; however, these estimates should in no way be interpreted or applied as a limitation upon the amount the Agency is entitled to receive under applicable statute(s), project area budget(s), and/or interlocal cooperation agreements.

TABLE 1.4

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2018 (Ending Dec 31, 2018)	Tax Year 2019 (Beginning Jan 1, 2019)
Property Tax Increment		
State Street #1 RDA	\$240,132	\$205,533
700 North	\$110,235	\$125,508
Total Revenue	\$350,367	\$331,041

GENERAL OVERVIEW OF ALL PROJECT AREAS

TABLE 1.5

COMBINED BUDGET - ALL PROJECT AREAS		
REVENUES	FY 2018 TOTALS	REMAINING LIFE (INCLUDES 2018 TOTALS)
Property Tax Increment		
State Street #1	\$202,928	\$648,593
700 North CDA	\$72,958	\$6,328,294
Interest		
State Street #1	\$4,477	\$4,477
700 North CDA	\$201	\$201
Contribution of Fund Balance		
State Street #1	\$21,168	\$21,168
700 North CDA	-	-
Total Revenue	\$301,732	\$7,002,733
EXPENDITURES	FY 2018 TOTALS	REMAINING LIFE (INCLUDES 2018 TOTALS)
RDA Administration		
State Street #1	\$26,740	\$89,133
700 North CDA	-	\$312,767
Developer Incentive Payments		
State Street #1	-	-
700 North CDA	-	\$625,534
Other Development Activities		
State Street #1	\$201,833	\$585,105
700 North CDA	\$51,343	\$5,368,378
Contribution to (from) Fund Balance		
State Street #1	-	-
700 North CDA	\$21,816	\$21,816
Total Expenditures	\$275,886	\$6,976,887

TABLE 1.6: ACREAGE AND RESIDENTIAL HOUSING

ACREAGE			
	Developed	Undeveloped	Residential
State Street #1	43	14	5
700 North CDA	109	174	7

SECTION 2: STATE STREET #1 RDA

TABLE 2.1

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> Developed 43 Undeveloped 14 Total 57	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 080-0003	<u>Tax Rate</u> 0.009775
<u>Creation Year</u> FY 1986	<u>Base Year</u> FY 1986	<u>Term</u> 25 Years	<u>Trigger Year</u> FY 1996	<u>Expiration Year</u> FY 2020
<u>Base Value</u> \$6,408,435	<u>TY 2017 Value</u> \$42,865,305	<u>Increase</u> 569%	<u>FY 2018 Increment</u> \$202,928	<u>Jobs Created</u> 430

The State Street #1 RDA Project Area was created in July 1986 with the purpose of incentivizing commercial development along State Street in Lindon. This includes the prevention of further deterioration of the Project Area, the renovation and beautification of existing businesses, as well as the attraction of the new businesses to the Project Area. Land uses in the Project Area consist of general commercial, public and semi-public, and institutional. As the State Street #1 RDA Project Area was created prior to 1993, a taxing entity committee was not established for this Project Area.

The Project Area lies entirely within Lindon City and includes approximately 57 acres of property located along State Street from 200 South to 600 North. A map of the Project Area is included as **Exhibit A**.

Since inception in 1986, the Project Area has helped an estimated 30 new businesses, with approximately a dozen new retail and office facilities constructed. These businesses include used auto dealerships, medical offices, a retail strip mall, a service station, and various restaurants and other businesses.

SOURCES OF FUNDS

TABLE 2.2

2018 SOURCES OF FUNDS	
2018 Calculated Property Tax Increment	\$213,820
Current Year Uncollected	(\$34,599)
2018 Property Tax Increment Collected and Paid to Agency ¹	\$179,220
Previous Years Tax Increment Paid in 2018	\$23,708
Total Tax Increment	\$202,928
Interest Earnings	\$4,477
Contribution of Fund Balance	\$21,168
Total Sources of Funds	\$228,573

¹ Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$213,820 in annual tax increment for FY 2018, the County remits to the Agency the portion that has been collected, as well as any tax increment that has been collected from property owners for prior year delinquencies. Delinquent tax increment collected in FY 2018 was \$23,708.

TABLE 2.3

TAX INCREMENT LEVELS	
Years	Percentage (%)
1996 - 2000	100%
2001 - 2005	80%
2006 - 2010	75%
2011 - 2015	70%
2016 - 2020	60%

USES OF FUNDS

TABLE 2.4

2018 USES OF FUNDS	
RDA Administration	\$26,740
Development Activities	\$201,833
Total Uses of Funds	\$228,573

TABLE 2.5

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2017	\$206,090	\$202,928	98%

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

TABLE 2.6

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2017 vs. 2016)	\$42,865,305	\$33,001,614	30%	30%
Lifetime Growth in Project Area (2017 vs. 2000)	\$42,865,305	\$15,266,534	181%	6%
Lifetime Growth in Project Area Since Base Year (2017 vs. 1986)	\$42,865,305	\$6,408,435	569%	6%
ASSESSED VALUES IN LINDON CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2017 vs. 2016)	\$1,364,637,874	\$1,166,871,017	17%	17%
Lifetime Growth in City (2017 vs. 2000 ²)	\$1,364,637,874	400,177,580	241%	8%

² LYRB 2000 values for these comparisons because this is the first year for which reliable data is available.

The value of the Project Area increased by \$9.9 million, or an increase of 30 percent and has grown at an average annual growth rate (“AAGR”) of 6 percent since the base year. The City’s overall growth has been slightly higher at 8 percent since 2000.

BENEFITS DERIVED BY TAXING ENTITIES

TABLE 2.7

BENEFITS TO TAXING ENTITIES	
Creation of approximately 430 new jobs	
Increased Sales Tax Revenues	
Increased Property Tax Revenues	
- 40% of tax increment flows back to taxing entities in years 2016 - 2020	
- 100% of tax increment flows to taxing entities after 2020	

Approximately 430 jobs have been created in the Project Area since its inception. This includes an estimated 55 new jobs that were created in the Project Area due to the completion of the public safety building. Several new businesses entered the Project Area over the past year, replacing existing companies and it is estimated that other job numbers have remained relatively steady.

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 228% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass-through increment will continue to increase as assessed values rise and the tax increment level received by the Agency ratchets downward throughout the life of the RDA. Since FY 2009, the total tax increment (above the base amount) received by the taxing entities is 154% above what would have been realized based on base year levels.

TABLE 2.8

TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET REVENUES ³	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2018	N/A	\$202,928	\$62,642	324%
Lifetime Revenue (FY 2009-2018) ⁴	N/A	\$3,640,469	\$712,637	511%

PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2018	N/A	\$142,546	\$62,642	228%
Lifetime Revenue (FY 2009-2018)	N/A	\$1,094,565	\$712,637	154%

³ The Original Budget is not available for this Project Area.

⁴ Lifetime revenues have been calculated using figures from FY 2009 - FY 2018 because tax increment revenue numbers are not available for all years preceding FY 2009.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

DEVELOPMENT TO DATE

Development in the Project Area over the last year includes tenant improvements to Dalton’s Steakhouse and the Textile Team Outlet and Design. Additional development adjacent to the Project Area includes the new Performance Auto building located at 53 North State. Further, adjacent to the Project Area, an application is under review for the Lindon Ridge Senior Apartments and the Castle Park Offices are in the planning stages.



DALTON’S STEAKHOUSE



TEXTILE TEAM OUTLET AND DESIGN

TABLE 2.9

NOTABLE BUSINESSES

7-Eleven	MEI Rigging & Crating
A+ Benefits	O’Crowley Irish Tacos
Ace Rents	Oteo Restaurant
Asay Auto	Pizza Factory
Auto Source Motors	Planet Power Toys
Big Island Sams Restaurant	Prestman Auto
Four Chairs Furniture	Quest Staffing Services
Galilee Grill & Bakery	Smoking Apple Restaurant
Kid to Kid	Sunbow Distribution
Lani’s Hawaiian Shack	Utah Valley Auto Brokers
Low Book Sales	Warburton’s Inc.
Magleby’s Fresh	Dalton’s Steakhouse
Textile Team Outlet Design	

☞ Other improvements such as:

- New Aquatics and City Center parking lot access from State Street
- Roadway reconstruction along Center Street, between Main Street and State Street
- Sidewalk installation along Center Street adjacent to the Community Center parking lot
- Installation of a traffic light at the intersection of Center Street and State Street, improving the flow of traffic and access to businesses in the Project Area
- Reconstruction of parking facilities surrounding the Lindon Community Center and Lindon Aquatics Center
- Design and construction of ADA access path from Lindon Heritage Trail to State Street bus stop at City Center Park, in partnership with UTA
- Construction of a new Public Safety Building within the Project Area ⁵

⁵ RDA funds were not used for the construction costs of the public safety building.

- Reconstruction of 400 North roadway between State Street and approximately 200 West
- Installation of street lighting on State Street along the City Center office property

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

TABLE 2.10

PROJECT AREA BUDGET		FY 2019 - 2020	
REVENUES	TOTALS	NPV @ 5%	
Property Tax Increment	\$445,664	\$415,121	
Interest Earnings	-	-	
Contribution of Fund Balance	-	-	
Total Revenue	\$445,664	\$415,121	
EXPENDITURES	TOTALS	NPV @ 5%	
RDA Administration	\$62,393	\$58,117	
Development Activities	\$383,271	\$357,004	
Total Expenditures	\$445,664	\$415,121	

OTHER ISSUES

The State Street #1 RDA Project Area continues to experience a relatively low collection rate of annual property taxes from property owners, as well as the payment of delinquent tax collections to the Agency. This situation stems from the default of multiple owners on their annual property taxes. Many of these owners are habitually behind schedule on annual taxes, with some behind on these payments by up to 3 years.

Property owners are allowed to remain delinquent on property taxes for up to 5 years before the County is able to take action, which would involve the sale of the property at a tax sale in an effort to collect on the back taxes owed. Thus, the delinquent property tax situation in the Project Area as described above is permissible until the owners fall behind by more than five years.

While the receipt of a portion of the tax increment due to the Agency is currently being delayed due to the delinquent tax payments associated with several property owners, the Agency has and will receive this associated increment as it is collected by the County. In what has been reviewed of the City's and County's records, it appears that the County is tracking and remitting tax increment as these late tax payments are collected. For example, in 2018 the Agency received \$34,599 in tax increment that was collected in 2017 for delinquencies that occurred in prior years (2012-2016).

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following sheets represent the FY 2018 actuals, FY 2019, FY 2020 annual budgets and FY 2017-2020 multi-year budgets.



LINDON STATE STREET #1 RDA

2018 Annual Budget
November 1, 2018

Annual Fiscal Budget Year	2018
---------------------------	------

Tax Year	2017
Payment Year	2018

REVENUES

TAXABLE VALUATION:	
Total Real Property	\$38,276,781
Personal Property	\$2,367,960
Centrally Assessed	\$2,220,564
Total Assessed Valuation:	\$42,865,305
Less: Base Year Value	(\$6,408,435)
Incremental Assessed Value	\$36,456,870

Tax Rate:	
Combined Tax Rate	0.009775
Total Tax Rate:	0.009775

TAX INCREMENT REVENUES	
Total Tax Increment	\$356,366
Total Tax Increment:	\$356,366

Percent of Tax Increment for Project	60%
--------------------------------------	-----

Project Portion	
Tax Increment Actually Collected and Paid ¹	\$179,220
Tax Increment	\$213,820
Current Year Uncollected	(\$34,599)
Previous Years Tax Increment Revenue to RDA	\$23,708
Total Tax Increment Revenue to RDA	\$202,928

Total Revenues to RDA	
Property Tax Increment	\$202,928
Interest Earnings	\$4,477
Contribution of Fund Balance	\$21,168
Total Revenue	\$228,573

EXPENDITURES

RDA Administration	\$26,740
Development Activities	\$201,833
Total Uses	\$228,573



LINDON STATE STREET #1 RDA

2019 Annual Budget
November 1, 2018

Annual Fiscal Budget Year	2019
---------------------------	------

Tax Year	2018
Payment Year	2019

REVENUES

TAXABLE VALUATION:	
Total Real Property	\$38,350,739
Personal Property	\$2,367,960
Centrally Assessed	\$2,244,450
Total Assessed Valuation:	\$42,963,149
Less: Base Year Value	(\$6,408,435)
Incremental Assessed Value	\$36,554,714

Tax Rate:	
Combined Tax Rate	0.009371
Total Tax Rate:	0.009371

TAX INCREMENT REVENUES	
Total Tax Increment	\$342,554
Total Tax Increment:	\$342,554

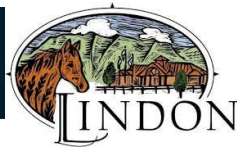
Percent of Tax Increment for Project	60%
--------------------------------------	-----

Project Portion	
Tax Increment Actually Collected and Paid ¹	\$205,533
Tax Increment	\$205,533
Current Year Uncollected	\$0
Previous Years Tax Increment Revenue to RDA	\$34,599
Total Tax Increment Revenue to RDA	\$240,132

Total Revenues to RDA	
Property Tax Increment	\$240,132
Interest Earnings	\$0
Contribution of Fund Balance	\$0
Total Revenue	\$240,132

EXPENDITURES

RDA Administration	\$33,618
Development Activities	\$206,513
Total Uses	\$240,132



LINDON STATE STREET #1 RDA

2020 Annual Budget
November 1, 2018

Annual Fiscal Budget Year	2020
---------------------------	------

Tax Year	2019
Payment Year	2020

REVENUES

TAXABLE VALUATION:	
Total Real Property	\$38,350,739
Personal Property	\$2,367,960
Centrally Assessed	\$2,244,450
Total Assessed Valuation:	\$42,963,149
Less: Base Year Value	(\$6,408,435)
Incremental Assessed Value	\$36,554,714

Tax Rate:	
Combined Tax Rate	0.009371
Total Tax Rate:	0.009371

TAX INCREMENT REVENUES	
Total Tax Increment	\$342,554
Total Tax Increment:	\$342,554

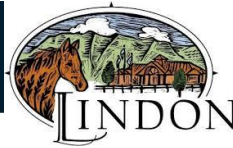
Percent of Tax Increment for Project **60%**

Project Portion	
Tax Increment Actually Collected and Paid ¹	\$205,533
Tax Increment	\$205,533
Current Year Uncollected	\$0
Previous Years Tax Increment Revenue to RDA	\$0
Total Tax Increment Revenue to RDA	\$205,533

Total Revenues to RDA	
Property Tax Increment	\$205,533
Interest Earnings	\$0
Contribution of Fund Balance	\$0
Total Revenue	\$205,533

EXPENDITURES

RDA Administration	\$28,775
Development Activities	\$176,758
Total Uses	\$205,533

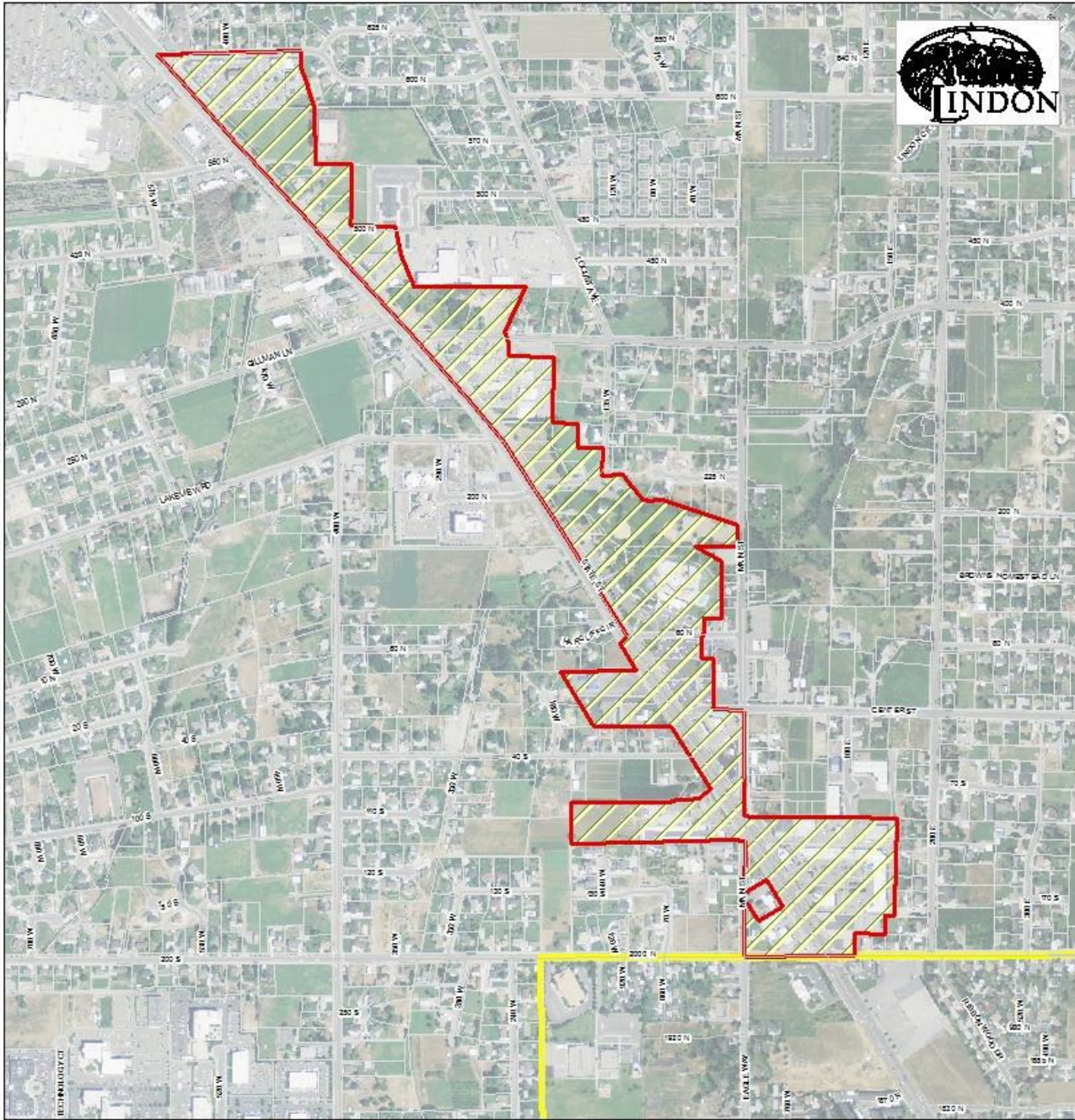


LINDON STATE STREET #1 RDA

Ongoing Budget
Multi-Year Project Area Budget Projections
10.29.18

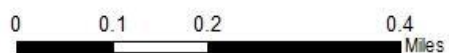
	<----- HISTORIC		PROJECTED ----->	
Tax Year	2016	2017	2018	2019
Payment Year	2017	2018	2019	2020
REVENUES				
TAXABLE VALUATION:				
Total Real Property	\$ 31,958,758	\$ 38,276,781	\$ 38,350,739	\$ 38,350,739
Personal Property	1,042,856	2,367,960	2,367,960	2,367,960
Centrally Assessed	-	2,220,564	2,244,450	2,244,450
Total Assessed Valuation:	\$ 33,001,614	\$ 42,865,305	\$ 42,963,149	\$ 42,963,149
Less: Base Year Value	\$ (6,408,435)	\$ (6,408,435)	\$ (6,408,435)	\$ (6,408,435)
Incremental Assessed Value	\$ 26,593,179	\$ 36,456,870	\$ 36,554,714	\$ 36,554,714
Tax Rate:				
Utah	0.000834	0.000779	0.000732	0.000732
Alpine School District	0.007718	0.007087	0.006873	0.006873
State Charter School - Alpine	-	0.00008	0	0
Lindon	0.001630	0.001451	0.001392	0.001392
Central Utah Water Conservancy	0.000386	0.000378	0.000374	0.000374
Combined Tax Rate	0.0105680	0.0097750	0.0093710	0.0093710
Total Tax Rate:	0.0105680	0.0097750	0.0093710	0.0093710
TAX INCREMENT REVENUES				
Total Tax Increment	\$ 281,037	\$ 356,366	\$ 342,554	\$ 342,554
Total Tax Increment:	\$ 281,037	\$ 356,366	\$ 342,554	\$ 342,554
Percent of Tax Increment for Project				
	60%	60%	60%	60%
Project Portion				
Tax Increment Actually Collected and Paid ¹	163,496	179,220	205,533	205,533
Tax Increment	\$ 168,622	\$ 213,820	\$ 205,533	\$ 205,533
Current Year Uncollected	(5,126)	(34,599)		
Previous Years Tax Increment Revenue to RDA	43,024	23,708	34,599	
Total Tax Increment Revenue to RDA	\$ 206,520	\$ 202,928	\$ 240,132	\$ 205,533
Total Revenues to RDA				
Property Tax Increment	\$ 206,520	\$ 202,928	\$ 240,132	\$ 205,533
Interest Earnings		4,477		
Contribution of Fund Balance		21,168		
Total Revenue	\$ 206,520	\$ 228,573	\$ 240,132	\$ 205,533
EXPENDITURES				
RDA Administration	\$ 28,913	\$ 26,740	\$ 33,618	\$ 28,775
Development Activities	177,607	201,833	206,513	176,758
Total Uses	\$ 206,520	\$ 228,573	\$ 240,132	\$ 205,533

EXHIBIT A



LINDON STATE STREET RDA

-  Lindon State Street #1 RDA
-  Parcel Boundaries
-  Lindon Municipal Boundaries



L. LEWIS & J. YOUNG
ROBERTSON & BURNINGHAM, INC.

SECTION 3:700 NORTH CDA

TABLE 3.1

OVERVIEW				
<u>Type</u> CDA	<u>Acreage</u> Developed 109 Undeveloped 174 Total 283	<u>Purpose</u> Commercial & Residential Development	<u>Taxing District</u> 080-0000 085-0000	<u>Tax Rate</u> 0.009775 .009760
<u>Creation Year</u> FY 2014	<u>Base Year</u> FY 2012	<u>Term</u> 20 Years	<u>Trigger Year</u> FY 2018	<u>Expiration Year</u> FY 2037
<u>Base Value</u> \$12,928,122	<u>TY 2017 Value</u> \$76,654,701	<u>Increase</u> 493%	<u>FY 2018 Increment</u> \$72,958	<u>Jobs Created</u> N/A

The 700 North CDA Project Area was created in September 2013 with the purpose of incentivizing commercial and residential development along 700 North in Lindon. This will include a variety of infrastructure improvements to roadways, sidewalks, street lighting, culinary water, sewer, utilities, etc. It is anticipated that proposed infrastructure improvements will spur development in the entire Project Area. The Project Area triggered in FY 2018.



The Project Area lies entirely within Lindon City and includes approximately 283 acres of property located along the northern boundary of the City, west of State Street. A map of the Project Area is included as **Exhibit B**. The Project Area was created in September 2013 and is governed by the following documents:

- ☞ The Project Area Plan dated September 3, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and Lindon City dated September 3, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and Utah County dated October 29, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and North Utah County Water Conservancy District dated November 14, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and Central Utah Water Conservancy District dated October 23, 2013

The Agency continues to work with the Alpine School District in an effort to enlist the District's support and come to an agreement on the length and level of participation with relation to tax increment.

SOURCES OF FUNDS

TABLE 3.2

2018 SOURCES OF FUNDS	
Calculated Increment	\$83,449
Current Year Uncollected	(\$10,491)
Property Tax Increment Collected and Paid to Agency	\$72,958
Interest	\$201
Contribution of Fund Balance	-
Total Sources of Funds	\$73,159

TABLE 3.3

TAX INCREMENT LEVELS	
Entity	%
Utah County	50%
Alpine School District ⁶	0%
Lindon City	50%
Central Utah Water Conservancy District	50%
North Utah County Water Conservancy District	50%

USES OF FUNDS

TABLE 3.4

2018 USES OF FUNDS	
Project Incentives @ 10%	-
CDA Administration @ 5%	-
Project Development: Land Assembly and Infrastructure @ 85%	\$51,343
Contribution to Fund Balance	\$21,816
Total Uses	\$73,159

TABLE 3.5

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2017	\$79,490	\$72,958	92%

PROJECT AREA REPORTING AND ACCOUNTABILITY RELATIVE GROWTH IN ASSESSED VALUE

TABLE 3.6

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2017 vs. 2016)	\$76,654,701	N/A	N/A	N/A
Lifetime Growth in Project Area Since Base Year (2017 vs. 2012)	\$76,654,701	\$12,928,122	493%	43%
ASSESSED VALUES IN LINDON CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2017 vs. 2016)	\$1,364,637,874	\$1,166,871,017	17%	17%
Lifetime Growth in City (2017 vs. 2000 ⁷)	\$1,364,637,874	400,177,580	241%	8%

⁶ The Alpine School District has currently opted not to participate in the 700 North CDA Project Area. The Agency is in the process of negotiating with the Alpine School District in an interlocal agreement that would allow for participation on a case-by-case basis.

⁷ LYRB utilized 2000 values for these comparisons because this is the first year for which reliable data is available.

The value of the Project Area increased by \$64 million, or an increase of 493 percent since the base year in 2012. The City’s overall growth has been increased by 241% since 2000.

BENEFITS TO TAXING ENTITIES

TABLE 3.7

PROJECTED BENEFITS TO TAXING ENTITIES	
Creation of approximately 689 new jobs over the life of the Project Area	
Increased Sales Tax Revenues from Retail Development	
Increase in other tax revenues, including Franchise Tax, Sales & Use Tax, and Corporate Income Tax	
Increased Property Tax Revenues	
- 50% of tax increment flows back to taxing entities in years 2018 - 2037	
- 100% of tax increment flows to taxing entities after 2037	

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 427% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise and the tax increment level received by the Agency ratchets downward throughout the life of the CDA.

TABLE 3.8

TAX INCREMENT FROM PROJECT AREA	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2018	\$72,958	\$126,458	58%
Lifetime Revenue	\$72,958	\$126,458	58%
PASS THROUGH INCREMENT (ABOVE BASE)	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2018	\$540,177	\$126,458	427%
Lifetime Revenue (FY 2009-2018)	\$540,177	\$126,458	427%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

New development in the Project Area over the last year includes a 50,000 square foot office building which is home to GoHealth. Further, a 7,000 square foot office building and a 37,000 square foot office/warehouse for the Fezzari Bicycle Company came online. In addition, a 50,000 square foot office building is currently pending. Below is a list of other new notable businesses in the Project Area.

TABLE 3.9

NOTABLE BUSINESSES	
Go Health	Alcatraz Trampoline Park
Airborne Trampoline	Wallsburn Farms Manufacturing
Geneva Road Self Storage Units	Fezzari Bicycle Company
Aquatherm Pipe Company	

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

TABLE 3.10

PROJECT AREA BUDGET		FY 2019 - 2037	
REVENUES		TOTALS	NPV @ 5%
Property Tax Increment		\$6,255,336	\$3,548,542
Interest		-	-
Contribution of Fund Balance		-	-
Total Revenue		\$6,255,336	\$3,548,542
EXPENDITURES		TOTALS	NPV @ 5%
Project Incentives @ 10%		\$625,534	\$354,854
CDA Administration @ 5%		\$312,767	\$177,427
Project Development: Land Assembly and Infrastructure @ 85%		\$5,317,036	\$3,016,260
Contribution to Fund Balance		-	-
Total Expenditures		\$6,255,336	\$3,548,542

OTHER ISSUES

As mentioned, the Agency hopes to obtain the participation of Alpine School District in the Project Area. The participation of the School District would contribute significantly to the success of the Project Area as it is estimated that tax increment revenues received by the Agency could potentially be more than tripled.

The Agency is in the process of proposing a global interlocal agreement between the Agency and the School District which would provide the potential for the School District to participate on a project by project basis through addendums to the interlocal agreement. It is anticipated this proposal will be further pursued in the first half of FY 2019.

Aside from the ongoing negotiations between the Agency and Alpine School District discussed above, LYRB has not identified any major areas of concern with the Lindon 700 North CDA Project Area and believes that, according to the records reviewed, all parties are meeting their respective obligations.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following sheets represent the FY 2018 actuals, FY 2019 and FY 2020 annual budgets and FY 2018-2037 multi-year budgets.

REDEVELOPMENT AGENCY OF LINDON CITY, UTAH (700 North CDA)

2018 Annual Budget

November 1, 2018



Annual Fiscal Budget Year		2018
Tax Year		2017
Payment Year		2018
REVENUES		
TAXABLE VALUATION		
Taxable Value - Area 080		\$39,317,000
Base Year Value Area 080		(\$8,865,547)
Incremental Assessed Value 080		\$30,451,453
Taxable Value - Area 085		\$37,337,701
Base Year Value Area 085		(\$4,062,575)
Incremental Assessed Value 085		\$33,275,126
Tax Rate 080		
Total Tax Rate - Area 080:		0.0097750
Tax Rate 085		
Total Tax Rate - Area 085:		0.0097960
TAX INCREMENT REVENUES - Area 080		
Total Tax Increment - Area 080:		\$297,663
TAX INCREMENT REVENUES - Area 085		
Total Tax Increment - Area 085		\$325,963
Percent of Tax Increment for Project		
Utah County		50%
Alpine School District		0%
Lindon City		50%
Central Utah Water Conservancy District		50%
North Utah Valley Water Conservancy District		50%
TAX INCREMENT REVENUES to RDA from Area 080 & 085		
Property Tax Increment		\$72,958
Interest		\$201
Contribution of Fund Balance		\$0
TOTAL REVENUES		\$73,159
EXPENDITURES		
Project Incentives @10%		\$0
Project Area Administration @ 5%		\$0
Project Development Land Assembly & Infrastructure @ 85%		\$51,343
Contribution to (Use of) Fund Balance		\$21,816
Total Uses		\$73,159
REMAINING REVENUES FOR TAXING ENTITIES		
Utah County		\$24,822
Alpine School District		\$451,630
Lindon City		\$46,234
Central Utah Water Conservancy District		\$12,044
North Utah County Water Conservancy District		\$349
Total		\$540,177

REDEVELOPMENT AGENCY OF LINDON CITY, UTAH (700 North CDA)

2019 Annual Budget

November 1, 2018



Annual Fiscal Budget Year		2019
Tax Year		2018
Payment Year		2019
REVENUES		
TAXABLE VALUATION		
Taxable Value - Area 080		\$45,092,361
Base Year Value Area 080		(\$8,865,546)
Incremental Assessed Value 080		\$36,226,815
Taxable Value - Area 085		\$47,365,682
Base Year Value Area 085		(\$4,062,574)
Incremental Assessed Value 085		\$43,303,108
Tax Rate 080		
Total Tax Rate - Area 080:		0.0093710
Tax Rate 085		
Total Tax Rate - Area 085:		0.0093900
TAX INCREMENT REVENUES - Area 080		
Total Tax Increment - Area 080:		\$339,481
TAX INCREMENT REVENUES - Area 085		
Total Tax Increment - Area 085		\$406,616
Percent of Tax Increment for Project		
Utah County		50%
Alpine School District		0%
Lindon City		50%
Central Utah Water Conservancy District		50%
North Utah Valley Water Conservancy District		50%
TAX INCREMENT REVENUES to RDA from Area 080 & 085		
Property Tax Increment		\$110,235
Interest		\$0
Contribution of Fund Balance		\$0
TOTAL REVENUES		\$110,235
EXPENDITURES		
Project Incentives @10%		\$11,024
Project Area Administration @ 5%		\$5,512
Project Development Land Assembly & Infrastructure @ 85%		\$93,700
Contribution to (Use of) Fund Balance		\$0
Total Uses		\$110,235
REMAINING REVENUES FOR TAXING ENTITIES		
Utah County		\$29,108
Alpine School District		\$546,609
Lindon City		\$55,353
Central Utah Water Conservancy District		\$14,872
North Utah County Water Conservancy District		\$411
Total		\$646,353

REDEVELOPMENT AGENCY OF LINDON CITY, UTAH (700 North CDA)

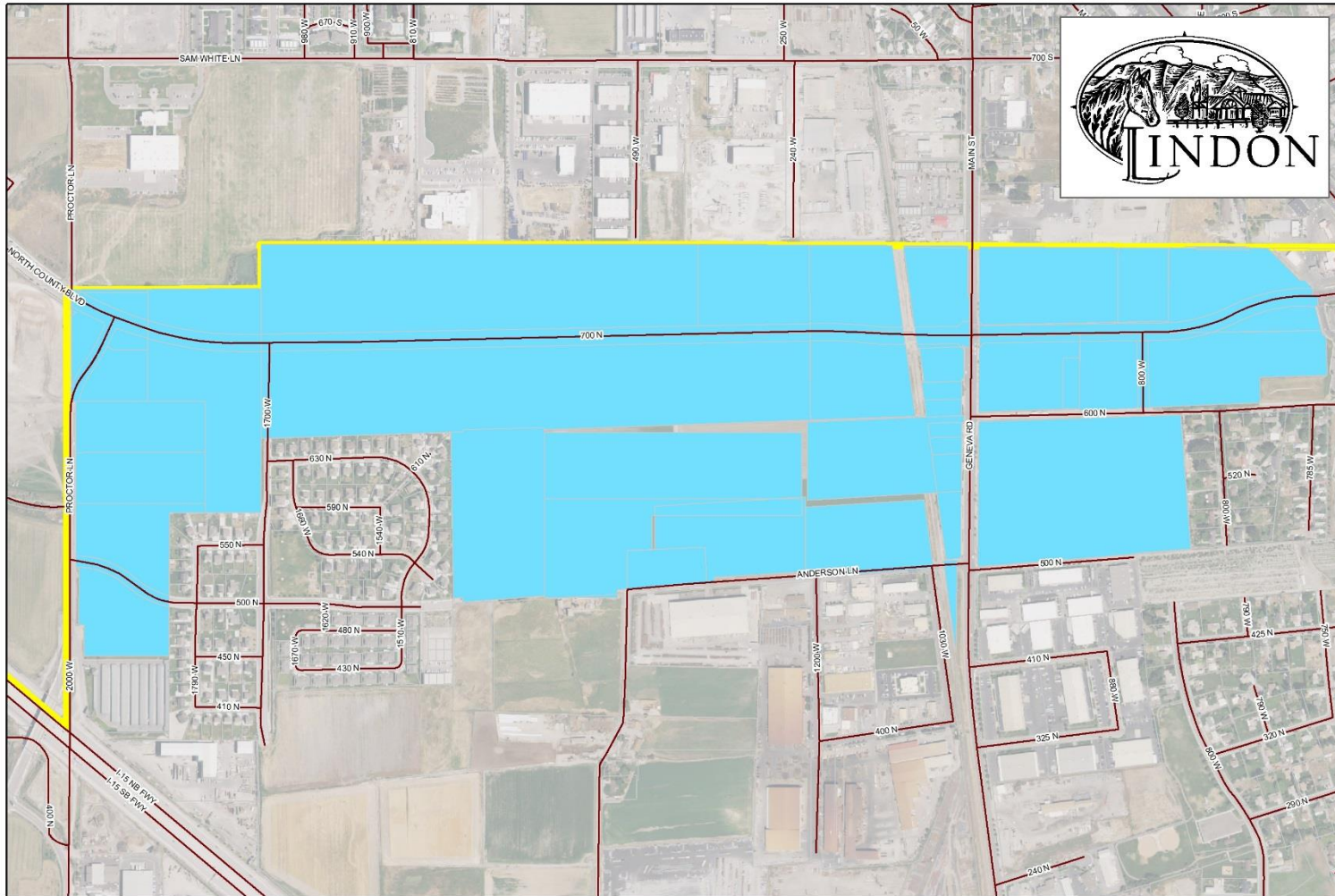
2020 Annual Budget

November 1, 2018



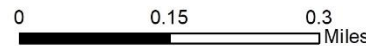
Annual Fiscal Budget Year		2020
Tax Year		2019
Payment Year		2020
REVENUES		
TAXABLE VALUATION		
Taxable Value - Area 080		\$54,019,854
Base Year Value Area 080		(\$8,865,546)
Incremental Assessed Value 080		\$45,154,308
Taxable Value - Area 085		\$58,977,635
Base Year Value Area 085		(\$4,062,574)
Incremental Assessed Value 085		\$54,915,061
Tax Rate 080		
Total Tax Rate - Area 080:		0.0093710
Tax Rate 085		
Total Tax Rate - Area 085:		0.0093900
TAX INCREMENT REVENUES - Area 080		
Total Tax Increment - Area 080:		\$423,141
TAX INCREMENT REVENUES - Area 085		
Total Tax Increment - Area 085		\$515,652
Percent of Tax Increment for Project		
Utah County		50%
Alpine School District		0%
Lindon City		50%
Central Utah Water Conservancy District		50%
North Utah Valley Water Conservancy District		50%
TAX INCREMENT REVENUES to RDA from Area 080 & 085		
Property Tax Increment		\$125,508
Interest		\$0
Contribution of Fund Balance		\$0
TOTAL REVENUES		\$125,508
EXPENDITURES		
Project Incentives @10%		\$12,551
Project Area Administration @ 5%		\$6,275
Project Development Land Assembly & Infrastructure @ 85%		\$106,682
Contribution to (Use of) Fund Balance		\$0
Total Uses		\$125,508
REMAINING REVENUES FOR TAXING ENTITIES		
Utah County		\$36,625
Alpine School District		\$687,777
Lindon City		\$69,648
Central Utah Water Conservancy District		\$18,713
North Utah County Water Conservancy District		\$522
Total		\$813,285

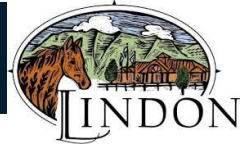
EXHIBIT B



LINDON 700 NORTH CDA

- CDA PARCELS
- LINDON MUNICIPAL BOUNDARIES





HISTORIC PROJECTS

WEST SIDE RDA

The West Side RDA expired in 2010; however, a fund balance remains. As of 2018, the unaudited funds were \$17,499. This balance is being used to pay administrative costs as the project comes to full completion, as well as Project Area Plan approved expenditures.

RDA #3

The Lindon RDA #3 expired in 2016; however, a fund balance remains. As of 2018, the unaudited funds were \$354,724. These funds are used in part to service a landscaping agreement for an area where no development has taken place. This balance is further being used to pay administrative costs as the project comes to full completion, as well as Project Area Plan approved expenditures.